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Abstract

Plantation elites continued to dominate local colonial governments in the British West Indies even after the abolition of slavery in 1834, directing public spending towards maintaining public order and protecting their property. As such they resisted any reforms that threatened their power, while the local non-white population, constituting of over 90% of the colonies' inhabitants, faced repression, segregation, and limited support. A pivotal shift occurred following the 1865 Morant Bay Rebellion in Jamaica, which prompted Britain to intervene so that by the 1870s most of the West Indian Assemblies were abolished, and the Colonial Office in London assumed direct control of colonial governance. This paper investigates how this shift from the Old Representative System to Crown Colony rule affected government resource allocation. Using public finance data from 16 British West Indian colonies between 1838 and 1938 we demonstrate that the governance reforms led to a significant reallocation of public expenditure towards welfare spending, as well as infrastructure and agricultural development. Our findings contribute to the economic history of colonial governance by revealing how Britain's political intervention fostered expenditures not necessarily in the interests of the planter oligarchy, thereby promoting a broader modernization of British West Indian economies.

JEL Codes: N00, H1, H5, O1, N3
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1 Introduction

Great Britain relied on merchants and adventurers to extend its reach across the Atlantic in the Early-Modern Period (Brady, 1991, Burns, 1954), incentivizing these by allowing them to rule and economically exploit the newly discovered territories (Pearson, 1991, Wight, 1946). Eventual settlement inevitably raised the question as to how much of the colonists' private gains should also benefit Britain's public finances and economy , and to what extent the settlers should share colonial governance with the metropolitan authorities (Burns, 1954, Curtin, 1990). For most British West Indian colonies their governing structure evolved to mainly serve the local planter elites in the form of the Old Representative System, with an elected assembly that they controlled (Wrong, 1923). But, after peaking at the end of XVIII$^{\text{th}}$ century, the relative economic and political weight of the British West Indian interests decreased in Britain and with it their control over colonial governance (Drescher, 1977, 1986, 2009, Green, 1991, Ragatz, 1929, Stinchcombe, 1995, Williams, 1944). This created the conditions for a series of major reforms, most importantly the abolition of slavery in 1833. Nevertheless, while in principle granting civil and political rights to the formerly enslaved inhabitants, constituting over 90% of the local population, the colonies continued to mostly be estate-based economies ruled by a planter aristocracy, resulting in institutions resemblant of *ancient regime* states (Burnard, 2015, Dookhan, 1975a, Graham, 2017, Havinden and Meredith, 1993, Petley, 2009, Piketty, 2013). More specificaly, the planters succeeded in limiting suffrage to be based on minimum levels income or land ownership and thus reserving the majority of the colonial assemblies' seats for themselves and to serve their own interests (Holt, 1993). This changed with a major peasant revolt in Jamaica in 1865, the Morant Bay Rebellion, convincing Great Britain that it would be best to take control of the colonial governments by converting these into Crown Colonies (Ayearst, 1960, Moore and Johnson, 2004, Wrong, 1923). In this paper we investigate whether this political shift resulted in British West Indian governance being more favourable to resource allocation benefitting the general local population.

The political economy literature provides a rich theoretical and empirical foundation for clarifying what should be expected in terms of the interaction between elite interests, institutional structures, and redistributive outcomes (Alt and Chrystal, 1983, Besley, 2006,

Galasso, 2017, Persson and Tabellini, 2000). The role of the economic elite in framing and controlling institutions was first studied by Acemoglu and Robinson (2000), Acemoglu (2006), and Acemoglu and Robinson (2008), emphasizing how de-facto power could offset attempts of reforms not in their interest, as well as showing how elites may intentionally choose institution which prioritize power retention over growth. Moreover, the political model of Acemoglu et al. (2008) demonstrates that there can be a distortion in the allocation of resources when this depends on self-interested politicians. Historical analysis complementing these theoretical frameworks has been provided by North and Weingast (1989), who showed how elites in England created a system that could actually support market development while still maintaining their privileges.

The impact of an extension of political franchise has also been widely studied theoretically. In this regard Meltzer and Richardt (1981) and Meltzer and Richard (1983) demonstrate that an increase in the number of voters with expansions in suffrage should lead to a greater redistribution of resources, while Corvalan et al. (2020) argue that this may not necessarily be the case if eligibility restrictions for political office remain.[1] Llavador and Oxoby (2005) develop a model in which political parties manipulate the franchise to influence economic policy, where conservative governments try to restrict the franchise. They also find that conflicts among the elites, when paired by a rise of industrial workers, create a political demand for redistribution, expansion of suffrage and provision of growth-oriented expenditure. In contrast, when elites remain cohesive and powerful this can lead to institutional stagnation. Engerman and Sokoloff (2005) provide empirical evidence from the Americas that initial factor endowments, especially labor systems and land inequality, shaped colonial institutions in ways that perpetuated elite control.[2]

To determine whether the shift in colonial governance observed in the British West Indies resulted in an allocation of resources benefitting the local population rather than the planter autocracy we here focus on subsequent changes in the composition of fiscal expenditure. Arguably, any redistribution of resources after the political shit is likely to have been reflected in the nature of colonial government spending. More specifically, prior

[1] Relatedly, Mattozzi and Snowberg (2018) examine how the personal characteristics of politicians, especially their wealth and career incentives, influence their preferences over taxation and redistribution.

[2] Other notable works focusing on the role of elites in institutional and economic shaping include Acemoglu and Johnson (2005), Acemoglu and Robinson (1983), Acemoglu et al. (2001), Bourguignon and Verdier (2012), Fourie and VonFintel (2012), Robinson (2012), Shayo (2009), to name a few.

to WWII debt as a form of government financing was restricted and had to be approved by the Colonial Office (Will, 1970b)[3], leaving local fiscal spending mostly dependent on highly volatile revenues from tariffs in what were almost exclusively economies dependent on a few export crops and importing most of their goods (Frankema, 2010). However, while all annual expenditure estimates had to first in principle be approved by the colonial office, in the Old Representative System the planter elite controlled assembly had considerable power of negotiation over fiscal expenditures since the taxation laws depended on their approval (Constantine, 2005, Wrong, 1923). Nevertheless, greater control of colonial government spending by Great Britain may not have necessarily been beneficial to the British West Indian local population. For instance, Frankema (2011) shows that in British Colonial Africa, where governance systems were much more similar to the West Indian crown colonies, revenue extraction was often prioritized over investment in public goods.

To undertake our comparative analysis of fiscal expenditure composition under Crown Colony versus the Old Representative Sysem forms of government we digitized and harmonized detailed public spending data spanning the period 1838–1938 for sixteen colonies of the British West Indies. Identifying when colonies were converted to crown colony governance then allowed us to examine whether these political shifts coincided with changes in relative spending on education, health, social welfare and infrastructure and economic development, i.e, aspects likely to be particularly beneficial to the general population, rather than money used for the financing of the police, judiciary, or administration. To do so we employ a combination of descriptive statistics and econometric analysis on our data set.

Our results show that total per capita expenditure declined under Crown Colony rule, suggesting a reduction in spending captured by private planter interests. In terms of resource allocation we find that Crown Colonies spent a higher share of expenditure on infrastructure, agriculture, and public health development. Moreover, they redirected investment in education away from religious institutions and towards education. At the same time, they reduced the share of spending on the military and justice systems—two areas typically associated with extractive elite control. Thus, our results suggest that

[3]One should note that direct spending by the British government in its colonies prior to 1940 was fairly limited (Constantine, 2005), as was also the case for France (Cogneau et al., 2021).

although resources under metropolitan controlled governance did shift towards greater spending in the immediate interests of the general population, it also was geared towards long-term economic development of the colonies.

More generally, while our study allows us to gain unique insights into the transformations of British colonial governance in the West Indies since emancipation, arguably it also has wider implications. For instance, Huillery (2009) shows that French colonial Africa investments in education, health, and infrastructure during the colonial period significantly influenced contemporary regional disparities in these sectors. Additionally, Lange (2004) find that indirect British colonial rule generally results in negative consequences for postcolonial levels of political development.

The remainder of the paper is structured as follows. Chapter 1 introduces the paper and situates it within the relevant historical and academic literature. Chapter 2 presents the historical background, focusing on the constitutional developments in the British West Indies during the nineteenth century. Chapter 3 describes the structure and sources of the dataset used in the analysis. Chapter 4 outlines the empirical strategy employed. Chapter 5 discusses the main results. Finally, Chapter 6 concludes by summarizing the findings and exploring their broader relevance.

2 Historical Background

2.1 Emergence and Fall of the Plantation Aristocracy

The private companies who opened the transatlantic route for Britain in the late 16^{th} and early 17^{th} century, thus breaking the Iberian monopoly over the Americas, were granted enormous governing powers and economic prerogatives over the newly discovered (or occupied) territories (Burns, 1954, Cooper, 1986, Pearson, 1991, Pestana and Salinger, 2014, Wight, 1946).[4] This period saw the establishment of estates based on slavery, centred on the production and export of primarily sugar, and the emergence of colonial assemblies which, endowed with legislative authority and paired by a governor nominated by London, formed a structure known as the Old Representative System (ORS) (Wight, 1946, Wrong,

[4] In the 17^{th} century, the British concept of a colony was so closely tied to private-led economic exploitation that the terms "plantation" and "colony" were often used interchangeably by the earliest commentators (Burns, 1954).

1923). The production system established in the 17^{th} century blossomed in the 18^{th}, where the slave-based plantation economies generated immense wealth for the planters, whose reinvestment of profits in Britain has been argued to having contributed significantly to the British Industrial Revolution (Burnard, 2015, Stinchcombe, 1995). Altogether the triangular trade with Africa, the Americas, and the plantation economy fostered a large number of direct and indirect economic activities in Great Britain, thereby contributing to more than 10% of the GDP (Deerr, 1949, Eltis and Engerman, 2000, Mullen, 2022, Rönnbäck, 2018, Williams, 1944).

At the end of 18^{th} century, the British Parliament included numerous and influential planter representatives who lobbied in favour of slave trade and trade protection of West Indian sugar, as well as for the non-intervention of the British authorities into the Colonial politics and economics (Murray, 1965), so that the British Parliament played no regular role in the functioning of the ORS. By the early 19^{th} century, however, the West Indian planters lost their relative influence within Britain's economic and political landscape due to the growing power of the East India Company advocates (Lees, 2017) who promoted cheaper sugar produced in India, and later the newly emerging manufacturing sectors that had grown out of the Industrial Revolution (Drescher, 1977, Green, 1991, Ragatz, 1929, Ward, 1978, Williams, 1944). These new economic actors favored free trade over the old mercantilist policies in line with Smith (1776). At the same time abolitionist groups emerged in Britain lobbying for the end of the slave trade and, eventually, slavery itself (Deerr, 1949), ultimately succeeding in terms of the former in 1807 and the latter in 1833 (Deerr, 1949, Drescher, 1977, 2009, Gosse, 2010, Green, 1991, Ragatz, 1929). Nevertheless, at least in the colonies characterized by the ORS, the West Indian planters continued to constitute a "sugar aristocracy", controlling colonial governance through restrictions on political franchise determined by minimum levels of income or land ownership, neither of which most of the large now free population could satisfy (Mullen, 2022). As such, under the ORS any public expenditure serving the broader population was consistently denied or obstructed, resulting in a typical ancient regime state lead by a narrow-interests elite (Acemoglu and Robinson, 1983, Piketty, 2013).

Despite maintaining power and wealth, the planter aristocracy in the British West Indies (BWI) soon found itself increasingly isolated. By the mid-19^{th} century the British

Parliament represented mostly the interests of a diversified upper-middle class, many of which were new industrial manufacturers who cared more about domestic consumers and were opposed to the protection of colonial producers. The Sugar Duties Act of 1846 marked a turning point, eliminating the preferential tariffs that had previously protected colonial sugar imports and thus opening the British market to cheaper, non-colonial sugar (Absell, 2025, Curtin, 1954). By the second half of the 19^{th} century the West Indies political and economics system witnessed a final major clash between the British government and the West Indian planter elite. Indeed, driven by the fear of violent riots on the one hand and the need to modernize the economic apparatus on the islands on the other, the Colonial Office moved to abolish the local Assemblies and any form of elected office where they existed. In their place it established Crown Colony governments, entirely composed of officials appointed by London, thereby stripping the planter oligarchies of their political power and ending the era of representative colonial self-rule (Ayearst, 1960, Wrong, 1923).

2.2 Old Representative System

The defining feature of the ORS was the existence of a Legislative Assembly made up of between 12 and 50 members elected by the local settlers of the colony, with the British government making "an irrevocable grant of its legislative powers" (Wrong, 1923, p.20). This elective Assembly was accompanied by a Governor, appointed by London, who served as the head of the colonial government (Ayearst, 1960), and resembled the interests of Britain's central authorities(Wrong, 1923). The potenitally opposing interests of the Governor and the Assembly was poorly mediated by an Executive Council, which ranged from 12 to 20 members, and which was chosen by London from usually the most notable men in the colony(Ayearst, 1960, Wight, 1946, Wrong, 1923). As such the ORS mirrored the House of Lords in this miniature replication of Britain's system where the Governor symbolized the Monarch and the Assembly mirrored the House of Commons (Ayearst, 1960). In the context of sugar-based societies, where the 90-95% of colonies were enslaved or after emancipation tended to be employed at low salaries, this Institutional framework resulted in assemblies which were inevitably the political representation of the planter elite. Moreover, within this framework the assembly had veto power over essentially all financial matters, even if budget laws (money bills) were typically initiated by the Executive on

behalf of the Crown (Wight, 1946, Wrong, 1923). The planters under the ORS were thus the final holder of public financial authority in the colonies, exemplifying a textbook case of a local extractive elite (Acemoglu and Robinson, 1983, Burnard, 2015, Carvalho and Dippel, 2020, Cooper, 1986, Graham, 2017, 2018, Wrong, 1923), in which the control over productive assets (the sugar estates) translated into the ability to shape and control the institutions and influence the allocation of resources and authority (Acemoglu, 2006, Alt and Chrystal, 1983, Amsden et al., 2012, Bourguignon and Verdier, 2012, Dookhan, 1975a, Fourie and VonFintel, 2012, Havinden and Meredith, 1993, Robinson, 2012).

2.3 Crown Colony System

Opposite to the Old Representative stands the Crown Colony system (CCS), in which the Metropolitan authorities appointed not only the Governor but also all the councillors in charge of the exectuive and legislative processes(Wight, 1946).[5] Through the complete disenfranchisement of the colonial population, regardless of social or economic standing, under this system the executive and legislative powers were in principle under total control by the British government (Acemoglu, 2006, Acemoglu and Robinson, 2000, Llavador and Oxoby, 2005, Meltzer and Richard, 1983, Meltzer and Richardt, 1981, Sunderland, 2004, Wedderburn, 1881). More specifically, the Colonial executive and legislative councillors within the CCS were appointed by the Colonial Office, which, headed by the Secretary of State for the Colonies, was ultimately under the control of the British Executive. It is worth noting how in the second-half of the 19^{th} century the Metropolitan authorities were mainly interested in promoting economic development of the BWI through the modernization of the estates and diversification of crops, as well as human capital formation to increase labour quality and long-term stability (Brizan, 1998, Fergus, 1994, Wrong, 1923). In this sense, their interests arguably overlapped more with those of the formerly enslaved population and thus constituted a less extractive type of state with respect to the ORS.

[5]This institutional framewrok was first established in the Quebec Act of 1774, when the British authorities decided to fully rule over the Canadian Province via officers appointed by London(Ward, 1976, Wight, 1946).

2.4 Evolution of Colonial Governance in the British West Indies

Prior to emancipation all colonies of the BWI were governed by the ORS and thus enjoyed "independent legislatures" until the 1860s (Harcourt, 1912, Higman, 2011, p.13). The only exceptions were Trinidad and Saint Lucia (Higman, 2011), which had been acquired during the Napoleonic Wars, and where the British government resisted pressure of the local planters to make them ORS and instead turned them into Crown Colonies from the outset (Williams, 1964). This decision was partly influenced by the slave revolution in Haiti, which had alarmed British authorities and discouraged the establishment of other classical plantocracies in the region. Moreover, allowing representative government in these newly acquired territories would have meant that nearly half of the potential electors, and hence potentially the elected, would have come from the local French and Spanish populations. In practice this would have created local jurisdictions dominated by non-British subjects, a political risk the British government was unwilling to take (Williams, 1964, Wrong, 1923).

As noted earlier, at the start of the 19^{th} century the BWI were predominantly slave-based economies, focused on producing crops, especially sugar, to be exported to the mainland, to the profit of the estate-owners, i.e., the planters(Dookhan, 1975a, Wesseling, 2004). However, even after emancipation (1834) and the short lived transitional period of apprenticeship (1834-1838), although the formerly enslaved population officially enjoyed full British economic, civil, and political rights franchise restrictions prevented it from being truly represented in the local parliaments of their colonies (Holt, 1993). Moreover, the economic advancement of the emancipated population was limited as the majority continued to work on the same plantations as low-paid labourers, where only on the larger islands they were able to acquire small plots of land away from the estates. In this context the representatives of the planters continued to dominate the colonial Assemblies even if some changes introducing greater representation took place (Holt, 1993). While in the 1850s the Secretary of State for the Colonies Earl Grey after considerably political pressure introduced a Legislative Council composed (partially) of Crown-appointed officers in Jamaica, Tobago, Saint Kitts, Saint Vincent, and Antigua, this still far from constituted effective representation of the majority of the population in colonial government (Ayearst,

1960, Wrong, 1923).[6]

By the 1860s the lack of a real and effective representation combined with the fiscal and judicial privileges lived by the planters elite paved the way for the Morant Bay Rebellion in Jamaica, where on the 11^{th} October 1865 a protesting crowd of coloured people captured and burnt a Court House, killing 18 and releasing prisoners from the local jail. The rioters took control of two villages in the east part of the Island until martial maw was declared on the 13^{th} October, which triggered an immediate military response, with reinforcements deployed from neighbouring British (and Spanish) territories. The rebellion was ultimately suppressed but followed by almost 450 execution, mostly without trial (Moore and Johnson, 2004, Wrong, 1923). This event of social unrest highlighted the unsuitability of the Jamaican institutional system to govern, and led Jamaica's governor to ask the Secretary of State to abolish the local assembly and the assemblymen themselves to vote to surrender their powers to the Colonial Office (Ayearst, 1960, Wrong, 1923). Through an act of the British Parliament passed on June 1, 1866 Jamaica thus became the first Caribbean island to shift between the two colonial governance systems (Wrong, 1923). As shown in Figure 2, the constitutional shift led to the dissolution of the Assembly and caused a 60% turnover in the composition of the executive and legislative bodies, which had previously tended to be occupied by largely the same individuals.

While the other BWI colonies still under the ORS were spared similar social unrest as in Jamaica at that time, it became clear that their colonial assemblies also proved to be inadequate in representing the interests of the majority of the colonial population, as well as mostly unwilling to follow any directive coming from London when this collided with the economic interest of the planters.(Dookhan, 1975a, Higman, 2011). Subsequently, in the 1860s and 1870s seven further colonies transformed to the CCS, followed by two in the 1890s and lastly by Guyana in 1928. In some colonies the contingent cause was, as for the case of Jamaica, that of a rebellion, as for instance in Belize after its Maya's population riot (Bolland, 2003), or that of the Virgin Islands, where a violent revolt caused by the imposition of yet another perceived unjust tax culminated in the burning of the capital and

[6]In Jamaica, for example, the composition of the Assembly remained primarily white even after emancipation. Although the Planter Party gradually lost influence compared to the more bourgeois-oriented Town Party, it was still able to restrict any voting franchise as late as 1859. This further diminished the representation of black people in the Assembly (Holt, 1993).

prompted the Colonial Office to introduce British-nominated elements in the legislature, and ultimately led to direct Crown rule (Dookhan, 1975b, Wrong, 1923). In Montserrat in 1866 the white oligarchy that ruled the island, fearing social unrest similar to the Morant Bay Rebellion, voted to dissolve its Assembly, aligning with the wishes of the Colonial Office which was eager to establish direct control in the region (Fergus, 1994). Also in Grenada the Assembly voted voluntarily to become a Crown Colony, ending the political dominance of a narrow elite of around 200 planters in 1877. This decision was taken in response to a decade-long period of political degeneration during which the interests of planters and merchants frequently clashed and the colony's intelligentsia condemned the evident subordination of the public good to private interests within the Assembly (Brizan, 1998). For other colonies it was instead the inability of the planters class to effecitvely manage the public finances that sparked a system change, such as for Dominica and Antigua(Boromé, 1969, Wrong, 1923). In the case of Guyana the shift happened when the leader of the Popular Party won the election against the planters promising infrastructural development (Ayearst, 1960).

Three colonies, namely, Bahamas, Barbados, and Bermuda, in contrast, never changed to the CCS while under British rule, arguably due to their fundamental difference copmared to the ones that did. Bermuda, first of all, had never been a plantation economy but rather a maritime-merchant economy, closely tied to North America and its vicissitudes more than to the rest of the BWI. From the 19^{th} century onward it also served as an important military and shipbuilding outpost of the British Empire (Jarvis, 2010). The Bahamian experience also deviated from the norm of the British Caribbean since it had not been a plantation colony for most of its history and never grew sugar commercially. Politically it was controlled by a mercantile elite, and the House of Assembly primarily represented the white families of the capital, Nassau, often related by blood or marriage, while the scattered outer islands experienced both geographical segregation and political under-representation, where their inhabitants, whether black or white, lived at the same socio-economic subsidence level (Sanders, 2016). Perhaps most peculiar was the case of Barbados, a plantation economy in which the white oligarchy continued more than anywhere else to dominate the social and political life of the colony, and after 1838 engaged in strengthening social control over the Black population. Unlike the other islands, the

population and cultivation density in Barbados was such that the planters had a virtual monopoly over all the farming land, i.e., a shortage of space that made Barbadian land by far the most expensive, paired with the lowest wages, in the BWI. This combination did not allow for the emergence of a credible alternative social order. Rather, the planter elite, cohesive and politically united, managed to resist the Colonial Office's attempts to transform the colony into a Crown Colony in the 1870s and 1880s, while at the same time accepting the introduction only minor investments in welfare and education during those years (Beckles, 1990).

Importantly, although Crown Colonies lacked a meaningful local representation until their independence, a partial retrocession from the fully nominated government was undertaken in Jamaica in 1884, when planter lobbying efforts succeeded in securing nine elected seats in the legislature. Other colonies only followed this trend after World War I when returning soldiers exposed to egalitarian and socialist ideals sparked new movements for self-government increasingly petitioned for the inclusion of elected officials in colonial legislatures (Dookhan, 1975a, Proctor, 1962). In response, the Colonial Office allowed limited elected representation in several colonies beginning in 1924. More specifically, one elected member was added in both Montserrat and the Virgin Islands, 3 each in St. Lucia and St. Vincent, 4 in Dominica, 5 in Grenada, and 11 in Trinidad and Tobago (Ayearst, 1960). These reforms introduced elective elements ranging from one-fifth to one-third of the legislative body, as illustrated in Figure 3.

3 Data

3.1 Study Region

The colonial British West Indies during our period of interest consisted of two mainland colonies (Belize and British Guiana) and several island colonies forming an arc between them. The official number of these possessions changed over time due to administrative groupings and mergers among the different island governments. In this study we consider 18 territories grouped into 16 'colonies' between 1838 and 1938. More specifically, Trinidad and Tobago officially merged in 1889 and St. Kitts and Nevis officially in 1882, and we treat these two groups as single 'colonies'. In contrast, the colonies grouped under the

Leeward Islands (Antigua, St. Kitts & Nevis, Grenada, Montserrat, Dominica, and the Virgin Islands) are considered separately throughout the entire period since they always maintained separate legislatures despite having a common governor.

3.2 The Colonial Office Blue Books of Statistics

Our source for fiscal accounting information are the Colonial Office Blue Books of Statistics, which are the official annual statistical reports compiled by colonial governments and submitted to the British Colonial Office (Preston, 2007). Importantly, the Blue Books followed a standardised format, allowing us to compare public accounting data across colonies and over time. Although the first one was published in 1822 and the last one as late as 1949, before 1838 and after 1938 not all were completed, or are as detailed and consistent. We thus limit our analysis to 1838 until 1938, i.e, starting when there was complete emancipation and just shortly before WWII.

Information regarding fiscal expenditure is from the Blue Book's section "Revenue and Expenditure". At the end of this section there is usually also a "Comparative Yearly Statement of the Expenditure," where the major expenditure categories, sometimes already aggregated according to the government department, are compared to those of the previous year. We consulted both the individual-year tables (usually more detailed) and the comparative ones in order to extract figures related to total revenues and total expenses for each colony and year, as well as various expenditure categories of interest.

Over the 100-year span of the data, as well as across the 18 colonies analyzed, nevertheless some variations occurred in the expenditure categories. For example, in the Barbados Blue Book for 1838 expenditure for prisons is divided into four categories: *Jailers and other officers attached to jail* (£496), *Maintenance of prisoners of the Jail* (£996), *Repairs and Alterations of the Jail* (£1,459£), and an additional £100 allocated under *Miscellaneous Civil Services for jail repairs*, totalling £3,051. Twelve years later, the 1850 Blue Book aggregates all these expenses into a single figure, *Gaol and Prisons*, amounting to £2,094. Toward the end of the century, this classification changed again, and in 1890 the category *Prisons* includes three sub-components: *Ordinary and Fixed Expenses*, *Contingent and Accidental Expenses*, and a *Total*, amounting to £6,237.

Another common variation in the Blue Books is when an expenditure category is listed.

For instance, in the Belize Blue Book of 1880 salaries for *Judicial* purposes amounted to £2,276, while the *Administration of Justice*, exclusive of salaries, amounted to £225. However, by 1910 Belize's Blue Book listed only a single category, *Justice*, amounting to £14,684. For health expenditures there were also changes in reporting methods and level of detail. As an example, in the 1844 Jamaica Blue Book separate figures were listed for *Health Officers' Salaries* (£1,216), *Physician, Milk River Bath Salary* (£60), *Public Hospital* (£7,900), and *Coroners* (£36). In later years, however, these expenditures were consolidated into a single *Medical* category, such as in the 1920 balance sheet, which reports a comprehensive expenditure of £164,023.

Importantly, the changes just noted reflect a time-varying accounting nomenclature for substantively similar items and thus still allow reasonable categorization across years and colonies. To do this we systematically reconciled the different labels into consistent categories based on the underlying function and meaning of each expenditure item. By curbing these time- and colony-specific variations into stable classifications, we were able to identify 40 distinct public expenditure sub-categories, which we then grouped into 10 major expenditure categories, as shown in Table 2. It is worth emphasizing that the *Administration* category is defined as the residual between the total recorded expenditure and the sum of the other ten "broader categories". We labelled this category 'Administration' because it is largely composed of the salaries of executive and legislative officials and the staff of colonial bureaucratic structures, as well as pension payments to former public employees.

We generate shares of each of the 11 main categories by dividing their value by total expenditure. When we show statistics regarding the monetary value of total expenditure we deflated these to 2024 prices using the historical deflator provided by Bank of England (https://www.bankofengland.co.uk/statistics/research-datasets).

3.3 Other Data & Information

To construct annual colony population numbers we use both the "Population" section of the Blue Books and the *House of Commons Parliamentary Papers*. Since the underlying population data were based on population censuses which were generally undertaken every ten years we interpolated the values to construct annual population series for each colony.

3.4 Colonial Government Type

To identify what the type of government structure of the BWI colonies was and if and when there was a shift, we use information from Wrong (1923, pp. 80-81). The classification of each colony and any year of change are listed in Table 1. Accordingly, St. Lucia and Trinidad & Tobago were crown colonies even before the Morant Rebellion in 1865. Likewise, Bahamas, Barbados, and Bermuda retained their old representative status even by the end of our sample period in 1938. For the remaining colonies it is apparent that some changed governance system, if they did, in the first few years after the Morant Rebellion (Jamaica, Montserrat, and Virgin Islands), another group in the 1870s (Belize, Turks & Caicos, Grenada, St. Vincent, and St. Kitts and Nevis) and Antigua and Dominica just before the turn of the century. British Guiana, in contrast, only moved from the ORS to a CCS in 1928.

4 Empirical Stragety: Event Study

In order to conduct our econometric analysis of the effect of colonial governance on resource allocation in the BWI we employ an event study framework, where the event (treatment) is the change from ORS to CCS.

4.1 Expenditure per Capita

To estimate the impact on per capita total expenditure we use the following specification:

$$y_{i,t} = \sum_{k=-5}^{10} \beta_k \cdot D_{ikt} + \lambda_t + \psi_i + + f_i t + \epsilon_{it}, \tag{1}$$

where y represents total expenditure per capita for colony i in year y and D is the treatment (event) indicating whether a colony operated under the CCS. The coefficients β_k measure the impact of the treatment at time k relative to treatment, where pre-event coefficients ($k < 0$) capture any possible anticipation effects, while post-event coefficients ($k > 0$) reveal the evolution of the impact over time. The coefficients are interpreted relative to the base period $k = -1$. Year fixed effects λ are included to control for year-specific shocks or trends common to all colonies, while colony fixed effects ψ capture

time-invariant characteristics specific to each colony. f is a dummy variable indicating if colony i is part of a federation in year t, where we define federation as a group of islands (the "presidencies") enjoying separate legislature bodies but a unique executive headed by a governor (Wrong, 1923). Standard errors are clustered at the colony level to account for any serial correlation and within-unit heteroskedasticity.

4.2 Expenditure Shares

To estimate the impact on expenditure category shares of total expenditure we employ the following:

$$share_{j,it} = \sum_{k=-5}^{10} \beta_k \cdot D_{ikt} + \lambda_t + \psi_i + \gamma_j + f_i t + u_{it}, \tag{2}$$

where *share* represents the share of expenditure category j for colony i in year t. As in Equation 1 the binary variable D indicates the event time relative to the year of CRS installation, and the β_k's are interpreted similarly. γ represent the expenditure categories fixed effects, while the other controls are similar to those in Equation 4.2. Given that the budget shares of a colony are necessarily related to each other and likely also over time, we employ the seemingly unrelated regressions (SURE) method with Prais Winsten standard errors of autoregressive order one in order to estimate Equation 4.2. This approach utilizes a system of SURE with error components, where one assumes that all coefficients of constant terms are the same across the system and all independent variables are quantitative and require restrictions across the panels in their equations, while time invariant fixed-effect dummies vary by panel Blackwell III (2005), i.e., in our case by colony and expenditure category.

4.3 Assessment of the Parallel Assumption

In order to interpret the coefficients in an event study causally a number of assumptions are needed (Miller, 2023). Firstly, treated colonies (which changed from ORS to CCS) would have spent the same total or expenditure shares in each category if there had been no change in colonial governance system, commonly referrred to as the parallel trends

assumption. Secondly, there should have been no change in expenditures due to the anticipation of becoming a crown colony. A third assumption to ensure causality is that there is no dynamic selection, where in our context this would mean that the timing of changing to crown colony rule is not dependent on expected future expenditures. This is unlikely violaed in our context since colonial expenditures were not only voted upon each year, but also depended on the amount of revenue available, which would have been very volatile due to the nature of the BWI economies. Finally, one needs the Stable Unit Treatment Value Assumption to hold, i.e, one colony's change in government structure does not affect the expenditure of the other colonies. As the colonies were both economically and politically independent of each other this is also unlikely to a warranted worry in our context. One exception might be for the case of the Federation colonies that shared the same governor, but our federation dummy would take account of this possible dependence.

The standard away to assess the parallel trends assumption is to examine the pre-trends $\beta_{-5}, ...\beta_{-2}$ and determine whether these are statistically different from zero. In many contexts of course this may indicate some violation. In this regard, Rambachan and Roth (2023) developed an approach that, rather than assuming that parallel trends must hold precisely, places constraints on the extent to which post-treatment deviations from parallel trends may differ from the pre-treatment differences in trends for causal interpretation. Under these constraints the causal parameter of interest is only partially identified. Intuitively, the methodology allows for some deviations from parallel trends prior to treatment, where such departures are based on how large pre-treatment differences are. More precisely, Rambachan and Roth (2023) denote the potentially non-linear deviations as:

$$|\delta_{post}| = M \times |\delta_{pre}| \tag{3}$$

where δ_{post} and δ_{pre} are the set of the post- and post-treatment coefficients of an event study, respectively, and M is a multiplier indicating the deviations. Rambachan and Roth (2023) identify under certain smoothness and shape restrictions a confidence set for the treatment parameter that allows one to find the threshold M of deviations from the parallel trend up until one can no longer reject the null hypothesis of no treatment

effect. Intuitively, one can thereby still interpret the average treatment effect as causal if the pre-trend continues post treatment at a rate no larger than the treshold (M) times the largest pre-trend violation (δ_{pre}). One should note that in evaluating what would be the acceptable violation of the parallel trends for causality of the post-treatment effect for various values of M we here only consider the post-treatment coefficients that are statistically significant.

4.4 Estimation Sample

Our sample consist of the colonies that changed colonial governance status over our time period (1838-1938). While the always treated, i.e., the colonies that were always under the CCS (Saint Lucia and Trinidad and Tobago) are automatically excluded in an event study framework, we would have also liked to use the never treated (Bahamas, Barbados, and Bermuda) as an additional control group in our empirical analysis. However, as cautioned by Sun and Abraham (2021), in considering the inclusion of these it is important that the never-treated have a similar trend during the pre-treatment period as the treatment group. When we tested this we found that for the expenditure per capita and for 7 of our 10 expenditure share equations this was not the case. Moreover, when including the never-treated in our econometric analysis this tended to suggest the absence of pre-trends even in cases when excluding them suggested otherwise. We thus throughout our empirical analysis exclude Bahamas, Barbados, and Bermuda. This decision is further supported by the previously discussion of these colonies' socio-economic and political differences relative to the others. One should note that their exclusion restricts the interpretation of any treatment effects as the average treatment effect on the treated, i.e., the impact on government expenditure on those ORS colonies that changed to the CCS during our sample period.

5 Empirical Results

5.1 Trends & Summary Statistics

5.1.1 Trends

The evolution of the ratio of elected relative to the total legislature members, defined as both the Assembly and Legislative Council, across our British West Indian colonial states are shown in Figure 3, where a number of features emerge. First, the introduction of partially nominated Legislative Councils, which served as a bridge between the Assemblies and the Executive in the 1850s and early 1860s, led to a decrease in the percentage of elected members in nearly half of the colonies. Second, from the late 1860s to the early 1880s the adoption of pure Crown Colony institutions resulted in having no elected members in their legislative processes. Third, there was a gradual restoration of partial representation, beginning with Jamaica in 1884 and extending to a broader group in the 1920s. Finally, colonies such as the Bahamas, Bermuda, and Barbados retained a significant elective majority compatible with the ORS even after the introduction of minority-nominated members in the late 19^{th} century.

In Figure 4 we show the evolution of total government expenditure per capita summed for all BWI colonies during our sample period. Accordingly, there is a steady rise from the Morant Rebellion in 1865 until the mid-1880s, after which it remained relatively stable until just before WWI, where it first rose, fell sharply, and then rising again after the war's end. One may want to note that WWI also coincided with the rise sugar prices as beetroot sugar production in Europe temporarily almost completely ceased (Pathak et al., 2022).

Figure 5 depicts the trends of the eleven expenditure categories over the century of our study, where the two vertical dashed lines mark two critical moments of socio-political and economic change in the region, namely the Morant Bay Rebellion (1865) and the outbreak of World War I (1914) with its inflationary and expansionary effects on the regional economy alongside the revitalization of the sugar industry. This reveals four primary trajectories in resource allocation across the West Indies. Firstly, there was a progressive decline in expenditures on in Public Order and Church, which are features

typical of an ancien régime (Piketty, 2013, 2020), and would have been crucial in the immediate post-emancipation period, reflecting elite concerns over potential revolts and social disorder, as well as efforts to Christianize former slaves while delegating education and welfare services to religious institutions (Brizan, 1998, Moore and Johnson, 2004, Turner, 1999). Secondly, there was a notable rise in Health and Education expenditures, typical of the development of state structures taking on the responsibilities of caring for and educating the colonial citizens. Thirdly, there is also a progressive increase in infrastructure investments due to a drive towards modernizing the transportation network and economic systems when the mostly sugar-based economies declined. Finally, there was also a fall in the spending related on the Judicial and Military apparatus of the islands.

It is illustrative to consider trends in expenditure per capita and expenditure's decomposition before and after change in colonial governance system change by looking specifically at Jamaica, where the Morant bay rebellion caused the Constitutional shift. As can be seen from Figure 6, Jamaica's evolution of total spending follows a similar trend as that of all the BWI. In terms of what this money was spent on, depicted in Figure 7, one can see that in 1838 military expenses, comprising salaries for military personnel and marshals, costs of munitions, and rent for army lodgings and barracks, accounted for more than 10% of the total colonial spending. By the eve of the rebellion this figure had sharply decreased to 1.5%, stabilizing between 3% and 4% during the years 1890 and 1914. Conversely, the share allocated to state administration decreased more gradually. [7] This slower decline reflects the expanding colonial state, which required the establishment of new departments and branches alongside the broader process of state formation.

5.1.2 Summary Statistics

Summary statistics of our data are provided in Table **??**. As can be seen, on average expenditure per capita in the BWI was £150 per person. The largest expenditure was on average in Administration (37%), followed by Infrastructure (14%) and Police (11%). Examining the categories arguably most beneficial to the general population, then spending

[7] This decrease occurred because the colonial states increasingly allocated funds to services such as education, health, agriculture, and infrastructure investments. These outpaced the relative share of administrative salaries, which was not the case in the years immediately following slave emancipation. At that time, a smaller bureaucratic structure corresponded to a even less extensive welfare state and limited involvement in the local economy.

on these was on average relatively low over the 100 years. More specifically, the colonies spent 10, 5, and 3 per cent on Health, Education, and Social Welfare, respectively. Spending on churches constituted about 4%, while that on Justice and Debt Finance was 7 and 6 per cent, respectively. The lowest share was in terms of Agriculture (2%) and Military (1%). More generally one may want to note, however, that the range and variation across categories is fairly large relative to their means, indicating considerable differences across colonies and time. Also, the fact that the shares all take a minimum value of zero is mostly due to the early years (1830s–1840s) and reflects the primitive state structures and higher volatility in expenditures during this formative period.

In the last column we report the t-statistic of the difference in the shares between Crown Colonies and those under the Old Representative System. Accordingly, no matter what category, these are always statistically different between these two government structures. Examining the signs of the statistic shows that under Crown Colony rule there was greater overall spending, as well as relative expenditure on health, infrastructure, and the costs of admininstration. One needs to, nevertheless, keep in mind that some of these difference may have simply been due to the fact that Crown Colony rule was predominant in the latter temporal part of the sample and thus may be a feature of time rather than government structure differences.

5.2 Econometric Results

5.2.1 Total Expenditure per Capita

In Figure 8 we depict the estimated coefficients, along with their 90% confidence bands, for each of the 5 years before and 10 years after the change from ORS to CCS, excluding the year before the treatment as the benchmark period. Accordingly, there was steady fall in government spending in the 10 years after the colonial governance change, where the average coefficient is -192 . However, examining the pre-treatment coefficients reveals that the treated colonies had, on average, significantly higher, but declining, levels of government spending relative to the event year. In other words, the colonies that would go on to change their governance system were already spending more prior to the reform, although this difference narrowed as the reform date approached. This constitutes a

clear violation of the classic parallel trends assumption, which is necessary for a causal interpretation. Nevertheless, as Figure 8 shows, as long as the post-treatment violation is no more than 0.5 of the maximum pre-treatment violation, i.e., the largest (absolute) value of the pre-treatment difference, then one can still interpret the average treatment effect causally. More intuitively, while those colonial governments that changed to the CCS were spending at most £124 more per capita in the year prior to the reform compared to the event year, if one assumes that this difference would have continued to be no more than £62 per capita ($M \times \delta_{pre} = 0.5 \times 124$) even if they had decided not to give up their local representation, then one still can still conclude that becoming a crown colony reduced total government expenditure. In this case, as 62 is a smaller value than 192, we can interpret the coefficient casually. This reduction in per capita spending following the shift to CCS may be linked to the disappearance of the bargaining phase that previously characterized the interaction between local Assemblies and the Executive. Under ORS planters often attached personal or patronage provisions to finance bills in exchange for approving the yearly budget. By contrast, under the CCS colonial governments became more efficient in their spending, as policy decisions were now accountable to the Colonial Office rather than to the narrow interests of local elites. This transition likely curtailed ad hoc expenditures and led to a more centralized and disciplined fiscal management system (Graham, 2017, 2018, Wight, 1946, Wrong, 1923).

5.2.2 Expenditure Composition

We first consider the impact on military, police, and justice expenditure in Figure 9. Accordingly, there is only a temporary impact of governance type on military spending a year after the change, where this results in a fall of 1.9 percentage points. Reassuringly there appears to be no violation of the parallel trends assumption, so that one can interpret this causally. Examining police expenditure reveals that there is an increase in the three years after the switch to CCS, with an average of 1.2 percentage points. However, there are also clear negative pre-trends visible, indicating that colonies that were to become crown colonies were spending less on police prior to the change. Calculations using the method of Rambachan and Roth (2023) indeed suggest that one would need restrict this difference in their paths to other ORS colonies to not have been more than 1.4 percentage

points without the change in order to attribute the fall in spending to the reform. In terms of allocating the colonial budget toward the justice system, one discovers that there was a clear fall starting from two years after the changeover. The lack of apparent pre-trends indicates that this is arguably due to colonies coming under control of the colonial office, with an average fall of 3 percentage points.

Figure 10 depicts the results for spending on administration and the financing of debt. The event study estimates reveal that there is no effect of the CCS on resources allocated to paying for the administrative apparatus. For debt finance there is an increase only starting 8 years after changing to this type of governance of about 3.8 percentage points. Nevertheless, there may have already these changing colonies may have been already spending lower beforehand, as the pre-treatment coefficients suggest. In this regard, as long as this difference would not have continued to be more than it was if there was no change, i.e., 3.8 percentage points since the average effect is only significant at $M = 0$, one can conclude that there was a relatively late rise in financing debt.

The estimates for the share of government financial resources given to religious bodies and education related activities are given in Figure 11. One finds a small fall in the spending on the church from year seven onward, where the average annual fall of spending for these years is 2.3 percentage points of the total budget. In terms of education, there is originally a fall in financing the sector but then this reverses in the last two years (9 and 10) of our analysis window. Overall this produces an average increase in spending within the ten years of 1 percentage point. But, there does appear to be some anticipation just prior to the change in system, as indicated by the significant coefficient at $k = -2$, and thus it is important to put some restriction on this interpretation. More specifically, if the spending on churches would have continued to be only one percentage point different anyway, then one can infer that crown colonies spend less on religious bodies than those in the ORS.

There were also some effects of the CCS on how colonial governments decided to invest in the population's social welfare and health; see Figure 12. In term of the former, the results are somewhat mixed with small decreases after the reform (years 2 and 3) and then a temporary increase in the ninth year. This translates into an average small decrease of 0.1 percentage points within the ten years. Some of the pre-treatment coefficients are

significant, however, so that one needs to put some restrictions on attributing this to becoming a crown colony. In particular, any continuing difference in the absence of the CCS would need to have been no more than the average observed impact of 0.1 percentage points. In contrast to social spending, there is a clear rise of supporting health post-ORS, with positive effects in all years except the year of the change and in the second year. Overall, the increase was on average 2.2 percentage points. The clear pre-trend before the change requires that the lower spending observed in the absence of a colony switching from the old representative to that of the crown colony type could not have been any more than 2.6 percentage points ($(1.2) \times 2.2$.

Our final two expenditure categories, infrastructure and agricultural development, are depicted in Figure 8. There was a clear rise in investing infrastructure, where the average annual allocation of the budget was an impressive 40 percentage points within the ten years. The significant coefficients on $k = -5, .., -2$ suggest that the colonies that were about to change the system where already spending more on infrastructure, however. Thus we need to assume that this greater spending would regardless of the system change not have been more than 44 percentage points (1.1×40). It is apparent that there was also an increase, albeit much less than in infrastructure, in investing in developing the agricultural sector. More specifically, changing to a crown colony resulted in a continues rise in spending within two years, on average about 4 percentage points.

6 Concluding Discussion

As emphasized in the institutional literature, fundamental political change often occurs when existing elites lose cohesion or power, leading to institutional breakdowns and reforms (Engerman and Sokoloff, 2005, Robinson, 2012). The result is a break in the pattern of institutional persistence (Robinson, 2012), and a redefinition of the electoral franchise, which is commonly identified as a critical reform to prevent unrest and shift the political equilibrium (Acemoglu and Robinson, 2000, Llavador and Oxoby, 2005, Meltzer and Richard, 1983, Meltzer and Richardt, 1981). In the British West Indies such a dynamic manifested itself in the gradual decline of the planter elite and its confrontation with the priorities of Britain, resulting in a shift away from local to metropolitian British gov-

ernmental control. Building on this framework, our paper draws from extensive archival sources to construct a panel dataset spanning 100 years of the British West Indian colonial public spending in order to investigate whether such changes in colonial governance had an impact on colonial fiscal resource allocation.

Our findings indicate that crown colonies spent less public money than those operating under the Old Representative System. This is perhaps because colonial public officials that depended on the Colonial Office and not on local potentates had less of an incentive for ad-hoc local spending, which under the locally selective representative type governments was often used as bargain method between the governor and the planters (Graham, 2018, Wrong, 1923). Nevertheless this fall in the size of the public purse was not accompanied by a reduction in the size of the administrative infrastructure, as reflected by the relative share of total spending spent on administrative salaries and pensions. But there were a number of other relative resource allocation changes once a colony fell under crown colony rule.

Our results indicate that in the immediate aftermath of the regime change one of the top priorities of the colonial governments appears to have been the preservation and restoration of public order and security, as reflected by a short-term increase in police expenditure. This is understandable given the context of security concerns and, in some cases ongoing riots, that led to local Assemblies accepting self-dissolution and embracing direct rule by the Colonial Office (Ayearst, 1960, Dookhan, 1975b, Fergus, 1994, Moore and Johnson, 2004). However, the subsequent medium- to long-term decline in police-related spending also suggests that the Crown Colony System eventually came to be perceived as more socially stable, perhaps because it was more responsive to the needs of the general population (Wrong, 1923). Such an explanation would also be supported by the apparent fall in military expenditure. It may also be the reason that our analysis shows a decline in expenditures related to the maintenance of the judicial system, although this could also be due to efforts by the British auhtorities to rationalize and improve the efficiency of the judicial systems by standardizing penal codes and streamlining judicial procedures (Bruce, 1910, Salmon, 1832-1896).

The role of religion in both education and control is often considered one of the defining features of an *ancien régime* society (Brizan, 1998, Tocqueville, 1856, Turner, 1999). In line

with this, under the Old Representative System (ORS), especially in the decades following emancipation, state authorities largely entrusted missionary and religious organizations with providing limited, Christian-based education, which was viewed as a necessary tool for converting the newly freed local population into model 'British' citizens (Moore and Johnson, 2004). It was only towards the end of the century, particularly under Crown Colony governance, that more uniform, state-based education systems were introduced across many colonies (Brizan, 1998, Dookhan, 1975a, Green, 1991, Moore and Johnson, 2004). Our results suggest that this change may in part be attributable to the evolution of colonial governance in the British West Indies. In particular, while we find that church related expenditure significantly declined in the medium-to-long run, public spending on education increased under the Crown Colony System.

The clear and consistent rise in health expenditure after introduction of crown colony rule demonstrates the efforts of the British controlled colonial governments in creating colony-wide medical services in the Crown Colonies via the construction of hospitals, the hiring of medical personnel, and the introduction of Boards of Health (Brizan, 1998, Bruce, 1910, Dookhan, 1975a). This may have been in part driven by a number of health crises in the region, such the Cholera outbreaks in the 1850s–1860s (Higgins, 1993), and the arrival of indentured laborers in the 1860s–1870s as well as the early $20th$ century in some colonies (Brizan, 1998, Roopnarine, 2011). Moreover, scientific and medical advances in the late 19^{th} and early 20^{th} centuries encouraged the introduction of a number of health campaigns combating hookworm, malaria, and tuberculosis, amongst others, across the British colonial world (De Barros and Stilwell, 2003, Johnson and Khalid, 2012). Our analysis suggests that in the British West Indies such public health efforts were more likely to take place in crown colonies.

In contrast to the increases in education and health spending, which arguably provided relatively immediate benefits to the general population, there was if anything a small decrease in social welfare spending after becoming a crown colony. In this regard it needs to be emphasized that expenditure in this category largely consisted of maintaining lunatic asylums and poor relief. However, this did not necessarily reflect a greater reluctance of the British authorities in the colonies's social welfare. Rather, lunatic asylums may have actually been used as a tool of social control rather than serving any medical needs of those

perceieved to be mentally ill (Smith, 2014). In terms of poor relief one should also note that the systems in place were introduced much later and substantially less developed and extensive than that found in England during the same period (Fletcher, 1992, Johnston, 2021, Jones, 2013). Moreover, if it was poor relief spending that is driving the reduction in social welfare spending we find, then this may simply be reflective of a fall in the number of individuals that needed and qualified for it rather than downsizing the schemes.

While are results suggest that greater local control by the Colonial office has led to more fiscal spending on factors that contributed to growth in health and education capital, it also appears to have resulted in a shift towards greater investment in other factors that could make the colonies more economically productive (Morris, 1897, Norman, 1884). The greater investment in transportation we find may not be particularly surprising since one of the atavistic problems under the Old Representative System was the absence of adequate transportation systems due to planters having little interest in financing infrastructure other than that specifically beneficial to their own estates rather than to small agricultural producers of the general population (Dookhan, 1975a, Havinden and Meredith, 1993). Similarly in terms of agricultural investments, it is well documented that the Colonial Office promoted a modernization of the declining agricultural sectors in the British West Indies (Morris, 1897, Norman, 1884). Our results also indicate that what might have enabled such investments was the greater availability of debt financing to crown colonies, perceived as being more orderly and reliable in their public financial management (Will, 1970a)

More generally, our study shows that fiscal spending under colony rule, while lower than when colonial finances were controlled by the local franchised elite, did indeed tend to benefit the general population through reallocation, such as spending on human capital in terms of education and health. This was at the expense of supporting larger security and judicial systems, which would have been much more important for the plantation elite. However, our results show that the Colonial Office was also concerned about more medium and long term development and tried to achieve this through outlays on improving infrastructure and agricultural productivity. Our future research intends to investigate whether reallocating colonial governance from the British West Indies to metropolitan Britain also had an impact on how the local taxation structure helped generate the changes

in fiscal spending we have documented here.

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A Appendix: Tables & Figures

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Tables

Table 1: Classification of British Caribbean Colonies

Always Crown Colonies	**Turned to Crown Colonies**	**Never Crown Colonies**
St. Lucia Trinidad & Tobago	Jamaica (1866) Montserrat (1866) Virgin Islands (1867) Belize (1870) Turks & Caicos (1873) Grenada (1877) St. Vincent (1877) St. Kitts & Nevis (1878) Antigua (1898) Dominica (1898) British Guiana (1928)	Bahamas Barbados Bermuda

Table 2: Classification of Public Expenditures sub-Categories into Broader Categories

Broad Category	**Included Expenditure Items**
Health	Hospitals, Medical Doctors, Board of Health, Vaccination Programs, Sanitation Services
Education	Schools, Board of Education, Public Libraries
Police	Police, Prisons, Jail Staff
Social	Poor Relief, Lunatic Asylums
Infrastructures	Roads, Bridges, Water Works, Telegraphs, Tramways, Public Buildings, Post Office, Harbours
Church	Salaries for Clergy, Maintenance of Churches
Military	British Troop Stationing, Military Equipment, Barracks Maintenance
Debt Finance	Public Debt Repayment, Interest Payments, Reimbursement of British Grants, Repayment of Public Bank Liabilities
Agriculture	Agriculture Department, Salaries of Colonial Botanists and Chemists, Public Agricultural Lands and Mines Management
Justice	Salaries of Judges, Clerks, Court Administration
Administration	Legislature and Executive Expenditures, Salaries and pensions for administrative public employees, miscellaneous

Table 3: Summary of Dependent Variables and Government Indicator (excluding the always ORS)

Variable	**Obs**	**Mean**	**Std. Dev.**	**Min**	**Max**	**T-Stat**
Expenditure per Capita (deflated)	1,300	150.6	85.6	27.20	629	3.51***
Social	1,300	0.0270	0.0423	0	0.2453	-18.81**
Health	1,300	0.0985	0.0670	0	0.2995	6.74**
Education	1,300	0.0516	0.0308	0	0.1499	-7.33***
Police	1,300	0.1144	0.05199	0	0.4399	-2.36**
Infrastructure	1,300	0.1447	0.0949	0	0.5529	20.36***
Church	1,300	0.0350	0.0457	0	0.2999	-18.71***
Military	1,300	0.0119	0.0271	0	0.2850	-20.84***
Debt Finance	1,300	0.0594	0.0738	0	0.4868	-7.47***
Agriculture	1,300	0.0218	0.0613	0	0.6420	-14.92***
Justice	1,300	0.0693	0.0737	0	0.5547	-9.57***
Administration	1,300	0.3661	0.1253	0	0.8407	81.87***
Crown_Colony	1,300	0.641	0.4799	0	1	NA

Notes: The last column provides the t-statistic of the difference in the mean of each variable between colonies under the CCS versus ORS, where positive values indicate that it is larger for the CCS and ***, **, and * indicate 1, 5, and 10 per cent significance levels, respectively

Figures

Figure 1: Map of the British West Indies showing the year of Crown Colony installation

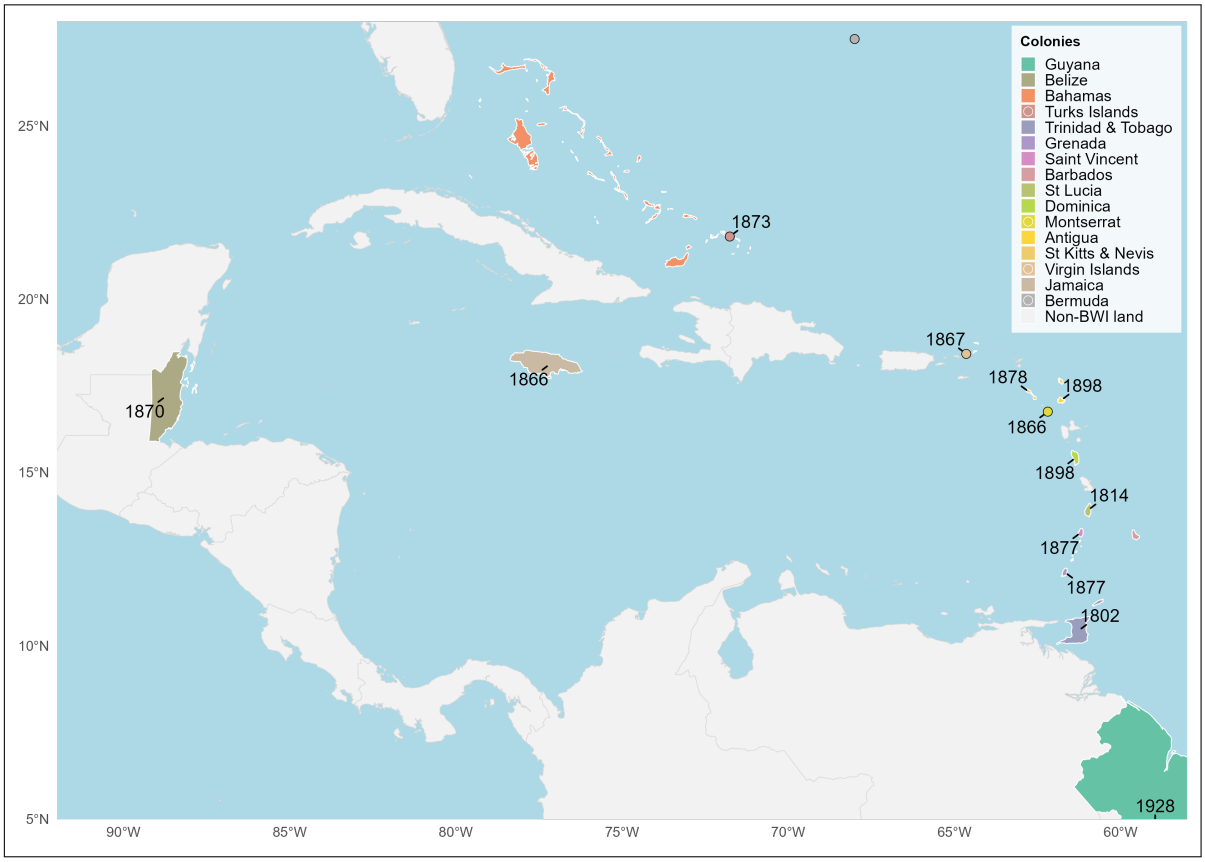
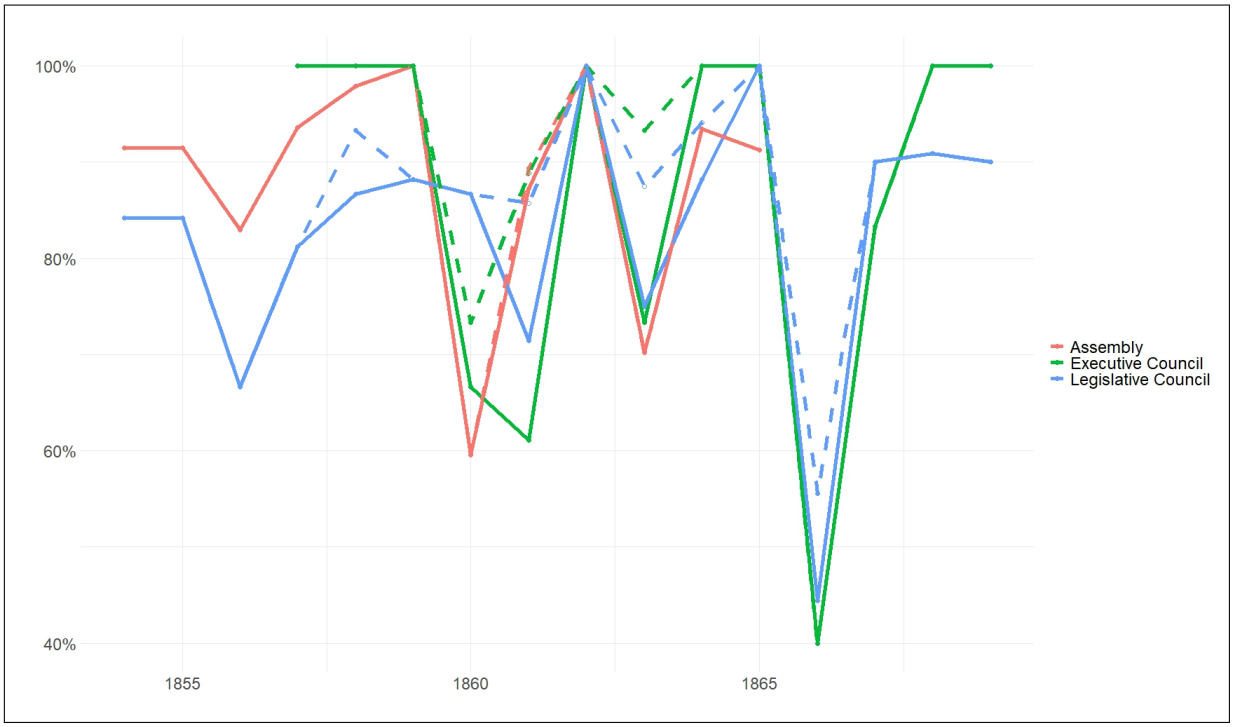
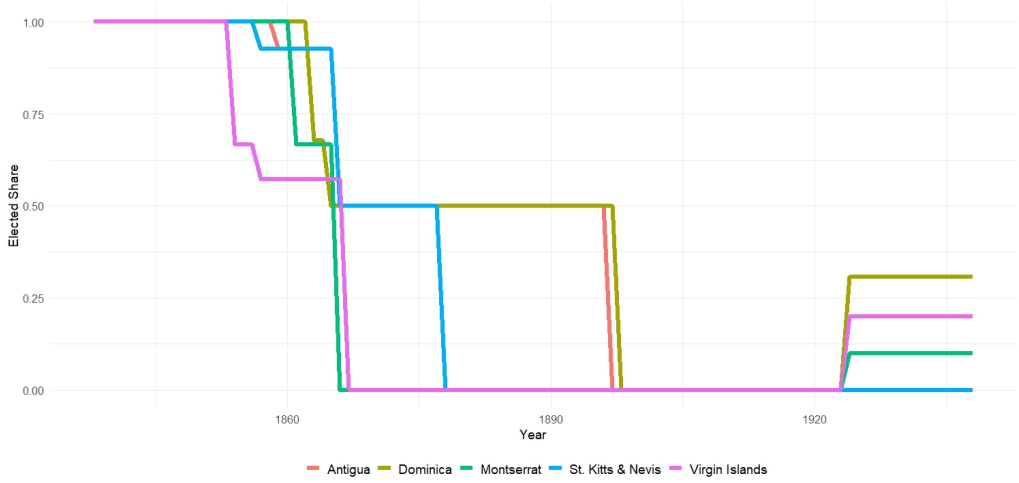


Figure 2: Year-on-year persistence of members of Jamaican Political Bodies

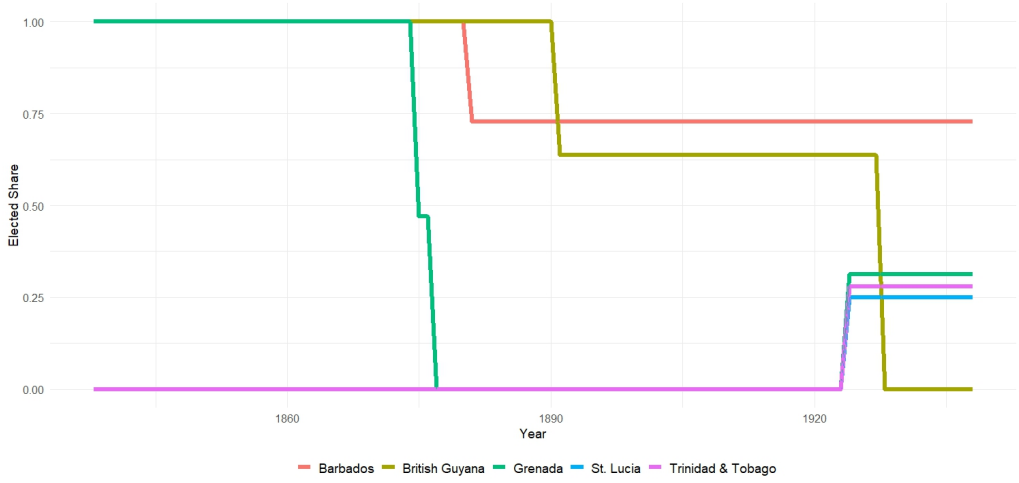


Notes: Dashed lines show also "cross-persistence", accounting for members in other bodies.

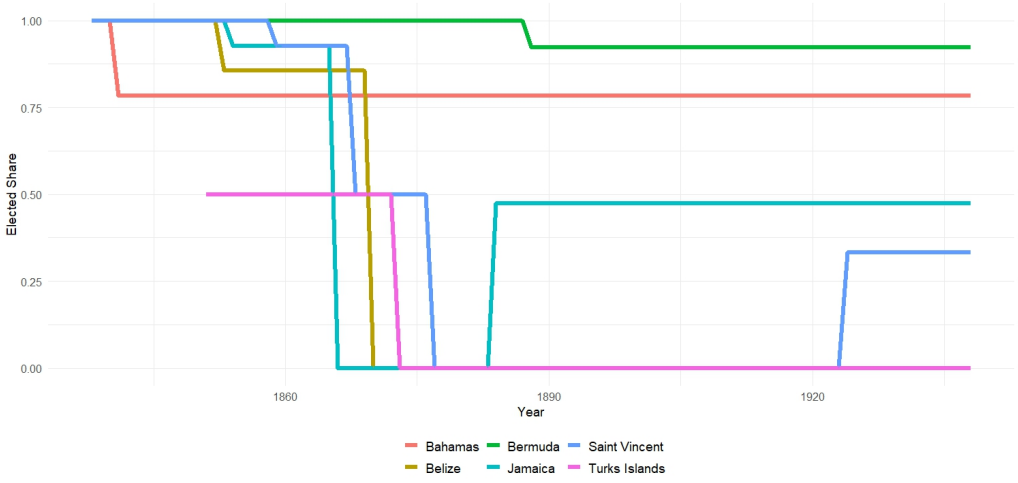
Figure 3: Shares of Elected Members in British West Indies legislatures



(a) Leeward Islands



(b) Windward Islands



(c) Jamaica & Other Colonies

Figure 4: Total Expenditure per Capita in the British West Indies

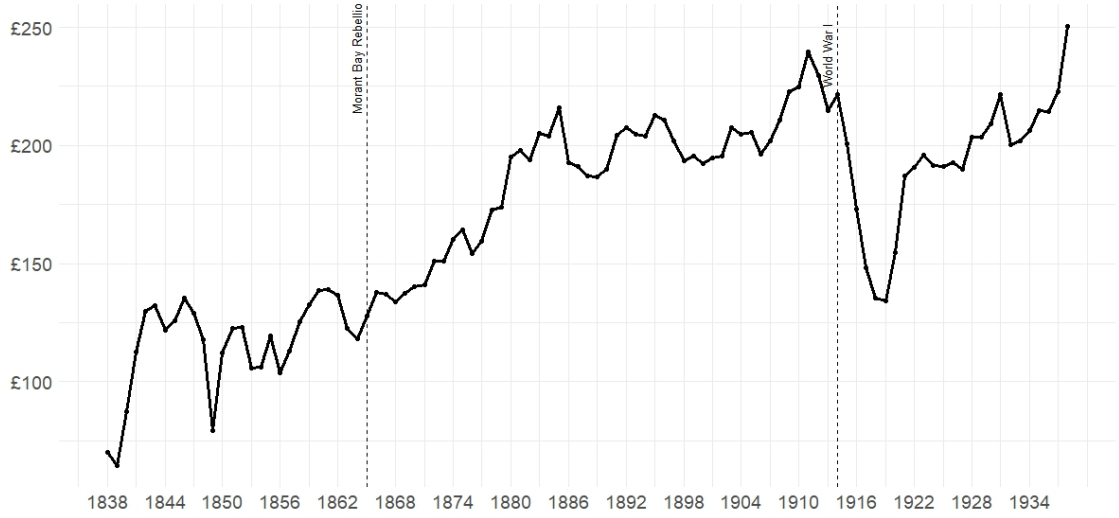


Figure 5: Composition of Total Expenditure in the British West Indies

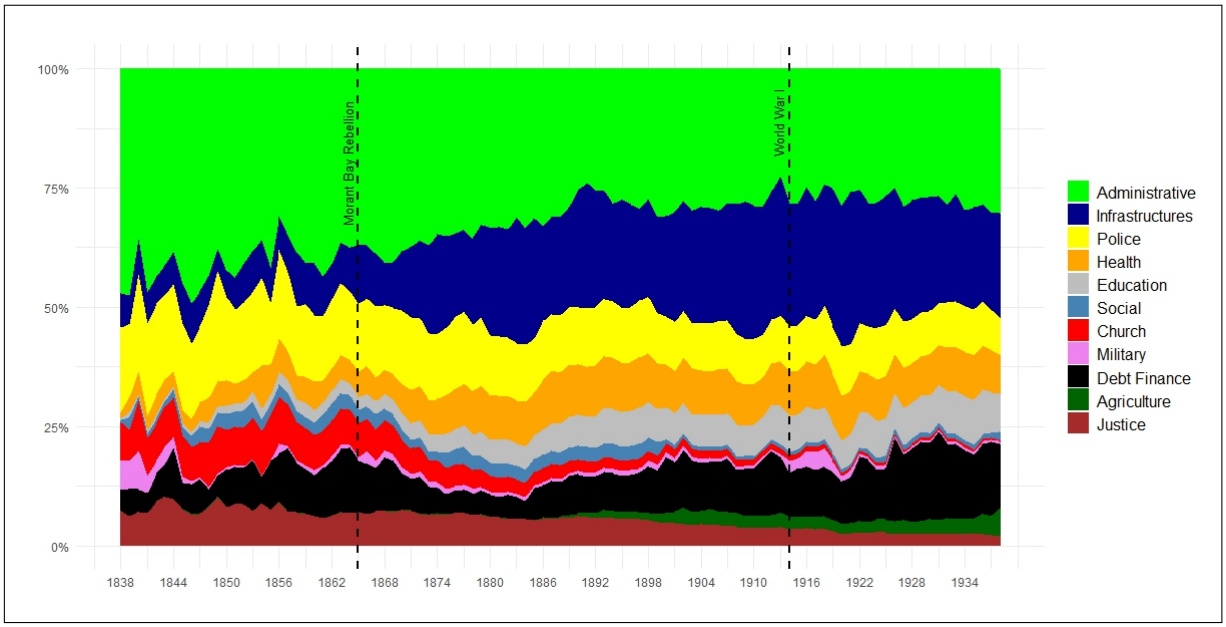


Figure 6: Expenditure per Capita in Jamaica

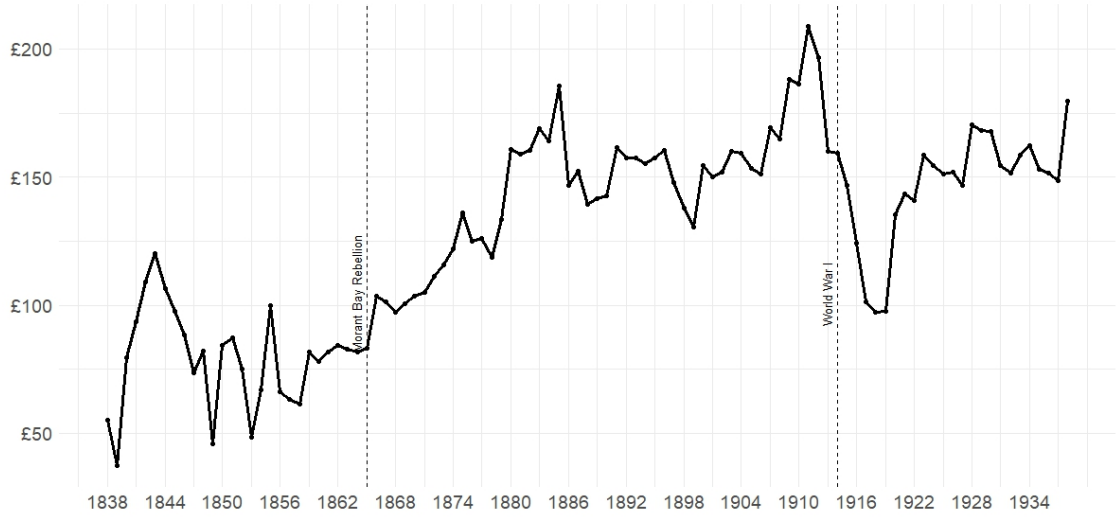


Figure 7: Composition of Total Expenditure in Jamaica

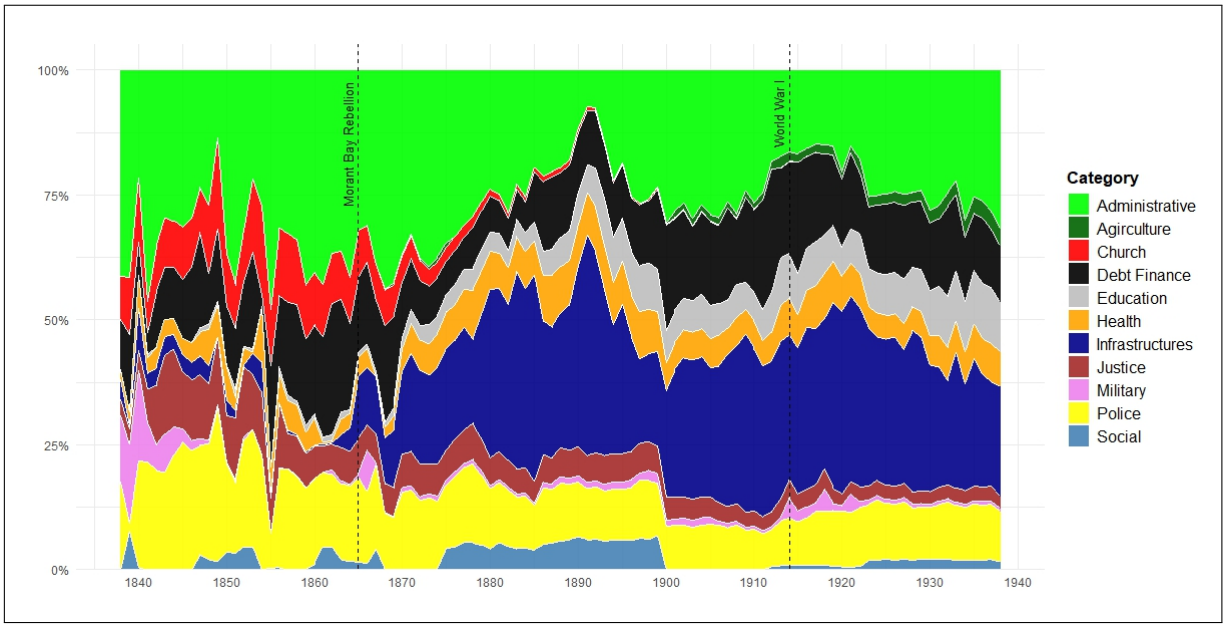
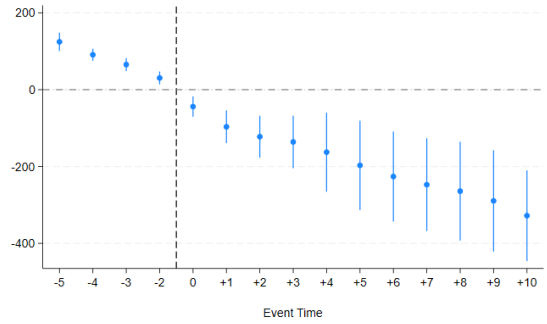
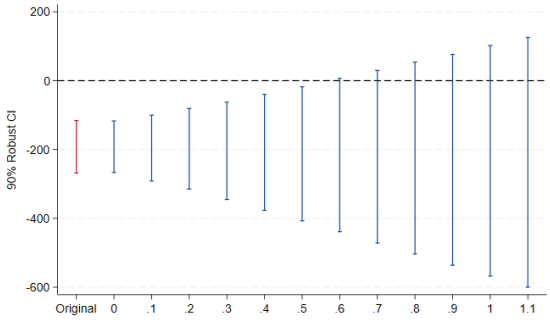


Figure 8: Event Study: Expenditure per Capita



Event Study Estimates

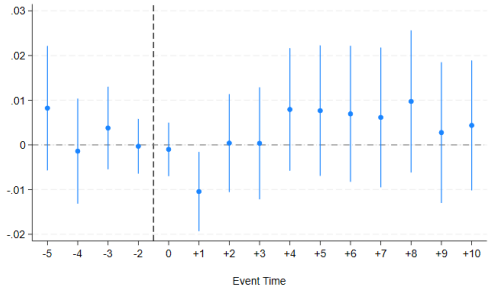


Violation of Parallel Trends

Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

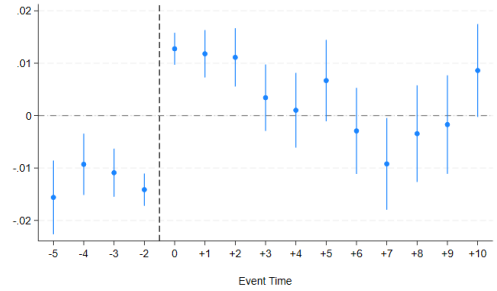
Figure 9: Event Study: Military, Police, & Justice

(a) Military



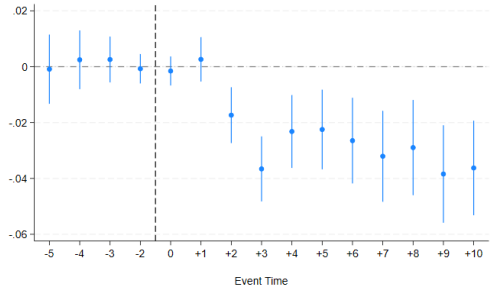
Event Study Estimates

(b) Police

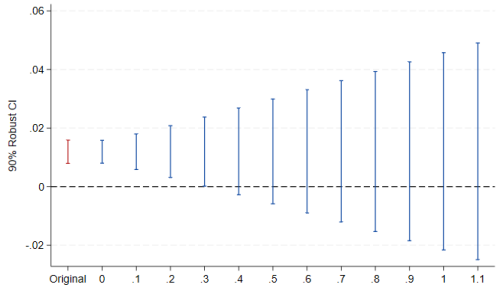


Event Study Estimates

(c) Justice



Violation of Parallel Trends

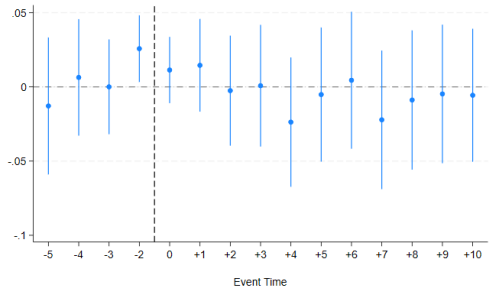


Violation of Parallel Trends

Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

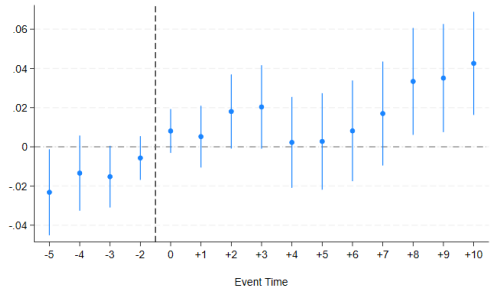
Figure 10: Event Study: Administration & Debt Finance

(a) Administration

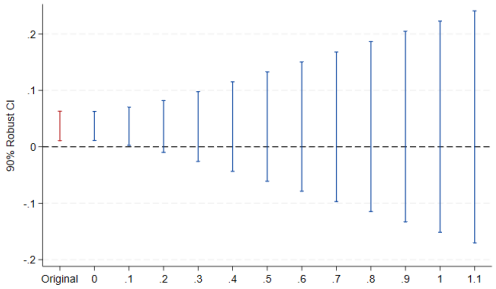


Event Study Estimates

(b) Debt Finance



Event Study Estimates

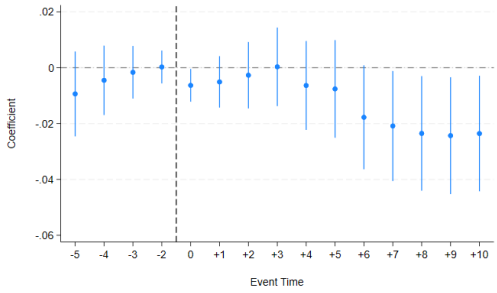


Violation of Parallel Trends

Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

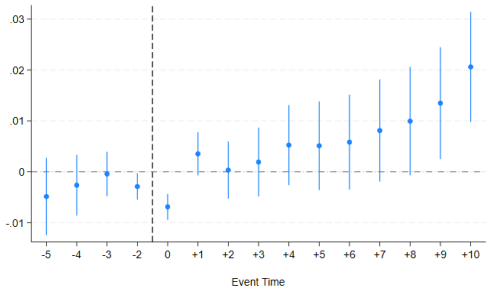
Figure 11: Event Study: Church & Education

(a) Church

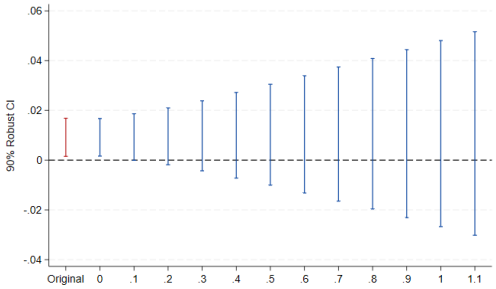


Event Study Estimates

(b) Education



Event Study Estimates

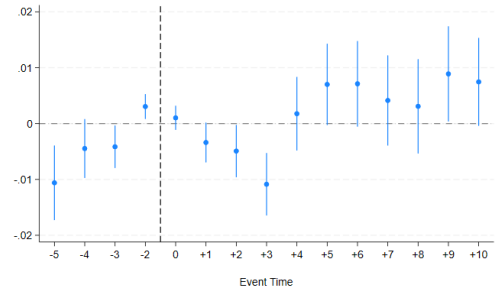


Violation of Parallel Trends

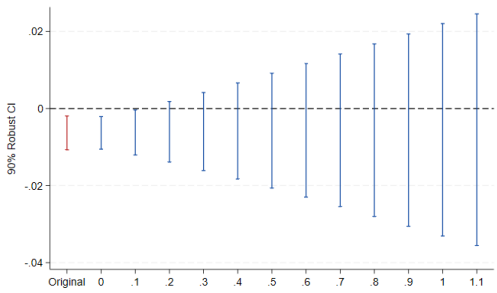
Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

Figure 12: Event Study: Social & Health

(a) Social

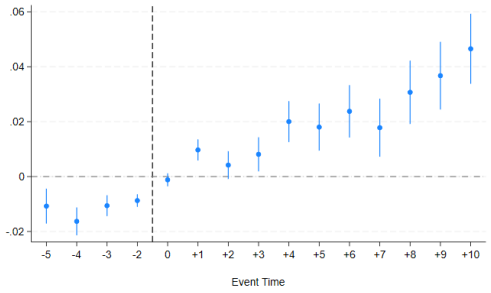


Event Study Estimates

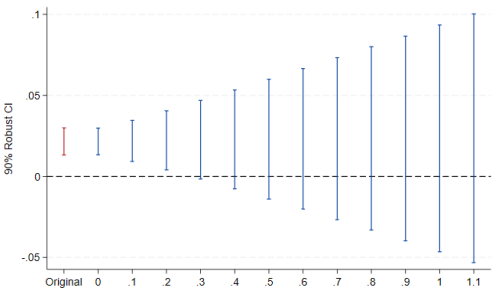


Violation of Parallel Trends

(b) Health



Event Study Estimates

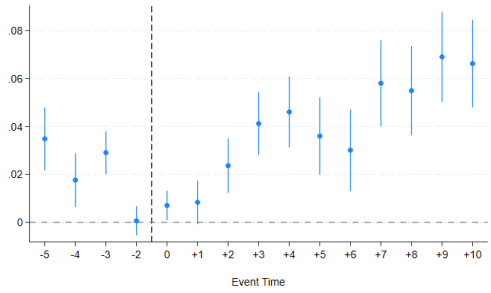


Violation of Parallel Trends

Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

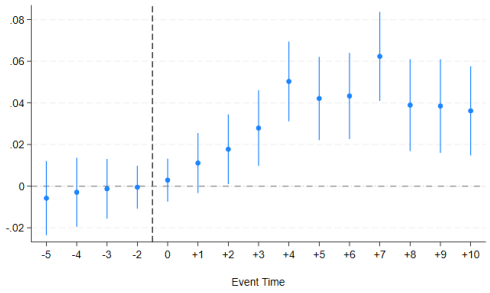
Figure 13: Event Study: Infrastructure & Agriculture

(a) Infrastructure

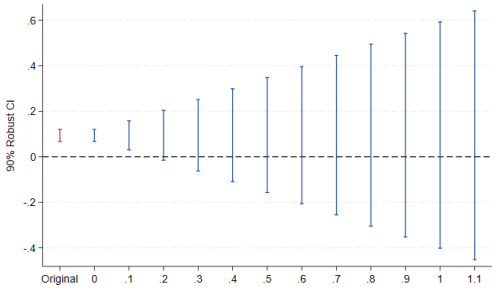


Event Study Estimates

(b) Agriculture



Event Study Estimates



Violation of Parallel Trends

Notes: (i) Top row shows estimated event study β_k coefficients for $k = -5, ..., -2, 0, ..., 10$ with their 90% confidence bands; (ii) Bottom row show estimated average treatment effect for significant coefficient with 90% confidence band in red and 90% confidence bands for different values of M in blue.

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